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C O N F I D E N T I A L SECTION 01 OF 02 MANAMA 001574

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TAGS: PREL PGOV ETRD EINV BA REGION BILAT POL

OFFICIALS

SUBJECT: PRIME MINISTER STRESSES IMPORTANCE OF VISIBILITY

OF BILATERAL RELATIONSHIP

Classified By: Ambassador William T. Monroe for reasons 1.4 (b) and (d)

Summary

11. (C) Bahrain would like to host more high-level American visitors in Bahrain, Prime Minister Shaikh Khalifa told the Ambassador in their August 26 meeting. "For us to be seen seeing each other is a very useful deterrent," he said, and helps protect Bahrain's security, stability, and development. He welcomed the August 1 implementation of the U.S.-Bahrain free trade agreement and news that several American companies would boost their presence in the Bahraini economy, including Microsoft. The PM worried that Iran was meddling in Bahrain through its relationship with Shia clergy, and warned that Iran might abuse Bahrain's democracy and openness to harm the country. End Summary.

Visible Signs of Strength of Relationship

12. (C) In an August 26 meeting, Prime Minister Shaikh Khalifa bin Salman Al Khalifa told the Ambassador that it was important to demonstrate visibly the strength of the U.S.-Bahrain bilateral relationship. He was pleased that the free trade agreement had entered into force and hoped to see the Bahraini economy develop further as a result. "We must devote our energies to keeping it (the agreement) moving," he said. Deputy PM Shaikh Mohammed bin Mubarak Al Khalifa, who also attended the meeting, mentioned that Microsoft had announced it would move its regional headquarters from Turkey to Bahrain, and the Ambassador said that he had word that several other American companies were newly interested in investing in or trading with Bahrain.

13. (C) The PM said countries of the region value highly their relationship with the U.S. "We are not shy about stretching our hand to you," he stated. Bahrain's friendship with the United States is deep, deeper than that of the other Gulf States, "and we don't want anyone to doubt it." Recalling earlier trips by senior American officers, the PM said he would like Secretary Rice and other Cabinet officials to visit Bahrain. Shaikh Khalifa stated, "When officials visit only one or two countries in the region, people ask, 'Why not us?'" Visible American support is good for Bahrain's security, stability, and development, he asserted. "For us to been seen seeing each other is a very useful deterrent." Deputy PM Shaikh Mohammed noted that the Crown Prince planned to visit Washington in September, and the Minister of Education had been invited to attend the First Lady's conference on global literacy.

Concern About Iran's Role in Bahrain and Region

- 14. (C) Turning to a familiar topic, the PM expressed his unhappiness with Iranian intervention in Bahrain through Shia clergy. Bahrain is a "stronghold" for Iran in the region. The Iranian regional role is growing, consistent with Tehran's long-held policy of expansion. "When I see their actions, their assurances don't make me feel any better." With Iran, issues do not necessarily go away, even if they are old and have not been raised in a long time. A dispute with Iran "is like a scab scratch it and it will bleed." The PM said that U.S.-Bahrain cooperation and unity has not reduced Bahrain's fears of Iran effecting the stability of the region.
- 15. (C) The PM said he could understand if Iran was busy with economic development, but he cannot understand it being busy with weapons development. Why is it developing weapons? With which neighbors does it have a dispute? These are big questions, he stated. Bahrain is a small country and wants to feel secure. The United States helps Bahrain protect what it has achieved. He expressed his concern that Iran could abuse Bahrain's democracy to harm the country. Should we open all our doors and invite people in, he asked. The PM said he supports an active parliament, but warned that some deputies have hidden agendas and exploit their positions to question ministers about their ministries' activities. The Ambassador responded that the United States shares his concerns about Iran's nuclear program and its meddling in Lebanon and Iraq.

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Comment

16. (C) Shaikh Khalifa likes to meet with the Ambassador periodically to send a message domestically that he is personally engaged with the USG. But he made it clear that this meeting, which was scheduled on the morning of the Ambassador's first day back in the office, had a broader goal: at a time of widespread popular criticism of U.S. policies in the region, to demonstrate - to Bahrain's Shias and the Iranians - continued senior Bahraini engagement with the USG. As we expected, the meeting received prominent press play in local newspapers the next day.